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13 Sept 1972**State Dept. review completed**Romanian-Soviet Relations

The US Embassy in Bucharest reports that the probable theme of the recent meetings between Ceausescu and Soviet Ambassador Drozdenko and other Soviet-Romanian contacts has been bilateral economic relations. To be sure, such relations are of growing importance, but we believe that a much more probable theme has been Bucharest's evident renewed interest in international organizations. For example, the Romanians plan to apply within the next few days for membership in the International Monetary Fund (IMF) and the International Bank for Reconstruction and Development (World Bank). Meanwhile, Romania's permanent representative to the United Nations recently proposed an obliquely anti-superpower item for inclusion on the agenda of the upcoming session of the UNGA. Like their initiative to the IMF and World Bank, the Romanian UN item on "promoting norms of international law in interstate relations" may cause some displeasure in Moscow.

The cast of participants in these recent meetings is the main basis for our analytical position. In two of the three meetings between Ceausescu and Drozdenko, Deputy Foreign Minister Ecobescu participated. Charged with responsibilities for the European socialist countries, the Balkans, and the United Nations as well as his country's leading expert on European security and disarmament matters, Ecobescu's attendance suggests that IMF, the World Bank, and European security probably were the major items under discussion.

Ceausescu stressed "international financial organizations," European security and Balkan cooperation in his marathon address to the national party conference in July. More than a month later, the Ceausescu-Ecobescu meetings with Drozdenko took place (between 23 and 31 August), while a meeting in Moscow between the Romanian Ambassador and Katushev, a Soviet party specialist on interparty relations, was held on 25 August. It would seem to us that Katushev would be splendidly equipped to discuss bloc solidarity but less able to discuss economic relations.

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-2-

The only other high-level Romanian-Soviet talks were held on 6 September between Ceausescu and vacationing Soviet Deputy Premier Smirnov. The Romanian media announced that "problems of economic relations were tackled." On the basis of available data, however, this session looks more like a probing action by Moscow than a negotiating one.

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Austrian President in Yugoslavia Today

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The Yugoslav press is billing Austrian President Jonas' three day visit to Yugoslavia as confirmation of the good state of relations between the two states. Borba (the mouthpiece for Yugoslavia's mass organization SAWPY), however, did add a discordant note by reminding its readers that at least some of the terrorists involved in last July's guerrilla attack in Bosnia-Herzegovina trained at a secret camp in Austria.

Belgrade has found little to complain about in Vienna's reaction to that incident, and as a result Austro-Yugoslav relations were not severely damaged and now appear to be back on the right track. Jonas' trip may be designed to smooth over what ruffled feelings still exist. He will undoubtedly assure the Yugoslavs that Vienna is doing its best to prevent terrorists from again using Austrian soil from which to launch attacks on Yugoslavia.

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Sweet Words from Prague

The American Embassy has noted an increasing number of references to Czechoslovak-West German relations in speeches during the last few days echoing the theme that Prague is willing to contribute to a positive solution to outstanding problems.

The Embassy noted a speech by foreign Minister Chnoupek on 3 September in which he talked of a contractual settlement "in the shortest time possible" and before the West German elections; a speech by party secretary Kapek on 10 September which claimed that no further delays were necessary; and a Husak speech on the same day which talked about settling problems in a "reasonable manner" and did not mention the ab initio issue.

The embassy did not, however, consider these "necessarily" as indicating a change in the Czech position. They may be a fall-out of the alleged Crimea decision to help the Brandt

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-3-

government. Czech leaders can appear to be forthcoming without making concessions. Chnoupek in a Pravda interview on 8 September repeated his claim that settlement could come before the elections but also said that Prague had already taken a "whole series of steps to achieve a compromise" and implied that it was Bonn's turn. The West German press has given prominent coverage to the positive statements from Prague, but official Bonn circles see them only as "encouraging" and as "public noises" like they have made in the past. Thus the status of the talks is still in limbo.



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